**28 September 2017**

**BCRE – Brack Capital Real Estate Investments N.V.**

(“**BCRE**” or the “**Company**”)

**INTERIM RESULTS 2017**

The Board of BCRE – Brack Capital Real Estate Investments N.V. releases the results of the Company, its subsidiaries and the Company’s interest in associates and joint ventures (together the “Group”) for the six months period ended 30 June 2017 (the “Period”) and the publication of its Interim Report 2017.

**Trading update for the Period**

* The net asset value (“NAV”) of the Group decreased to €226.6 million as at 30 June 2017 (31 December 2016: €254.1 million).
* As at 30 June 2017, the aggregate value of assets in which the Company is interested (in different percentages) was €945 million (31 December 2016: €947 million).
* Sale of total holding in Brack Capital Properties N.V. (“BCP”) on 14 June 2017 through an off-market transaction at a price of NIS345 per share, for a total consideration of approximately NIS695 million (approximately €174 million). The net profit from the discontinued operations of BCP amounted to €4.9 million.
* 720 West End Avenue project is being let to the Salvation Army and serves as a senior housing facility. The building will be vacated once the replacement facility that is being built on 125th street is completed, expected by early 2019. As of now, the demolition of the existing facility on 125th street and excavation and foundation works for the new building are completed and the structural steel erection to commence soon.
* At 90 Morton Street, a high end residential development in the West Village Manhattan, with net sellable area of approximately 90,000 sq ft, the condo offering plan for the project has been approved by the New York City attorney general and the development work is progressing apace, with development approximately 50% complete.
* The Group’s position in the Manhattan lodging market with three hotels continues to advance, as the Indigo Lower East Side hotel is operational and ramping up, and the 230 room CitizenM Hotel in Times Square performance is stabilized. The construction of the 300 room CitizenM Hotel at Bowery Street is progressing well and is scheduled to be completed at the end of the first half year of 2018. The Group ccontinues the efforts for the sale of the hotels investments.
* The acquisition of 336 multifamily units (c. 334,000 sq ft) in January 2017 by the BCRE REIT in Preserve at Sagebrook, in Dayton, Ohio, brought the multifamily portfolio in Ohio, USA to over 850 units. The performance of the US multifamily residential portfolio continues to run steadily with an overall average occupancy of around 95%.
* Despite signs of recovery of the Russian economy, the on-going contraction in private consumption continues to be challenging. The Company continues the efforts of stabilizing the Russian platform as the shopping center in Dmitrov, the logistic warehouse in Lobnia and Kazan’s main retail module are almost fully occupied, whereas the Lyubertsy shopping center and the two additional modules in Kazan are still ramping up.
* A total amount of approximately $18.9 million, net of expenses, has been raised under the bond programme during the first quarter of 2017.
* In May 2017, Midroog, the credit rating agency accredited by Israel and a subsidiary of Moody’s Investor Service Inc. (Midroog), placed under credit review with negative implications the rating of Company’s Bonds currently rated A2 on a local Israeli scale with negative outlook.
* In August 2017, an extension was obtained until 1 December 2017 for the completion of the conditions precedent with respect to the refinancing of the existing bank loan facilities entered into by subsidiaries/associates of BCRE Russia concerning the four projects in Russia (Kazan, Lyubertsy, Lobnia and Dmitrov).

The Interim Report 2017 is now available to view or download from the Company's website, [www.brack-capital.com](http://www.brack-capital.com/).

**Harin Thaker, Chairman, said:**

I am pleased to report the results of the Group for the first half of 2017. Despite the fact that the earnings recession has ended, stock markets have continued to rise more than underlying earnings, credit spreads have tightened regardless of an underlying erosion of the credit quality, while high yield spreads have quickly recovered from the 2015 oil market scare.

Under such an environment and post the sale of the BCP investment, the Group remains vigilant and conserves liquidity to deal with large development projects needs and potentially improve the Group capital structure in order to augment value.

**Ariel Podrojski, Chief Executive Officer, said**

Following the sale of our investment in BCP, we continue focusing on the Company’s remaining investments, especially our major projects in Manhattan, New York.

In Russia, despite some recent macro indicators showing signs of stabilization and recovery, the conditions continue to be challenging, however we note improvements in consumer activity.

**ENQUIRIES**:

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**Forward-looking statements**

This report contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of BCRE – Brack Capital Real Estate Investments N.V. These statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements.

On behalf of the Board

Harin Thaker

Chairman